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Private Fundraising and Partnerships: 2018 workplan and proposed budget

Summary

The Private Fundraising and Partnerships workplan and proposed budget for 2018 is presented to the Executive Board for approval. In 2018, the total private sector revenue will reach a projected $1.6 billion, of which $757 million will be regular resources and $838 million other resources. The 2018 planned expenses, funded from resources allocated to management, development effectiveness and special purpose activities, amount to $236 million, of which $182.4 million will be funded by regular resources and $53.6 million by other resources. The workplan describes financial and non-financial activities and results that represent the first year of a four-year strategic road map that describes the organization's engagement with the private sector in the delivery of results under the UNICEF Strategic Plan, 2018–2021.

The Executive Board is requested to adopt the draft decision relating to the budget proposal contained in section VII of this document.

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I. Introduction

1. The Division of Private Fundraising and Partnerships (PFP) coordinates and provides global guidance and support to the National Committees for UNICEF and UNICEF country offices in all private sector [1] fundraising and private sector engagement and partnership activities, in cooperation with regional offices and other headquarters divisions.

2. The PFP workplan and proposed budget for 2018 is based on the UNICEF Strategic Plan, 2018–2021, the integrated budget, 2018–2021 and the Private Sector Plan 2018–2021: IMPACT for Every Child (the 'IMPACT Plan').

3. The IMPACT Plan aims to create a significant change in the level of revenue and influence that can be achieved with the private sector to support the delivery of results for children under the Strategic Plan. The IMPACT Plan will seek to create lasting results for every child, raising $7.5 billion in net revenue for UNICEF over four years, 2018 to 2021 ($3.6 billion of which will be regular resources (RR)). Compared with the Private Fundraising and Partnerships Plan, 2014–2017, this represents $2.1 billion additional revenue, including $1.2 billion additional RR revenue, and double the number of individual donors to UNICEF. In order to reach this revenue goal, the PFP budget for the four-year period is $780 million, of which $450 million is for investment funds. A summary of the IMPACT Plan is presented in annex II.

4. For 2018, the projected revenue is $1.6 billion, which is an increase of $111 million, or 7 per cent, over the 2017 revised budget. The corresponding expenses of $236 million represent an increase of $42.8 million, or 22 per cent, over the 2017 revised figures. Of this $42.8 million increase, $25 million is investment funds, $9.5 million is PFP operating expenses funded by RR, and $8.3 million is country office fundraising expenditure funded by other resources (OR).

5. The PFP budget is comprised of the institutional budget and the special purpose budget, and covers the direct and indirect costs associated with the generation of private sector revenue.

6. Operating expenses for PFP (total costs minus investment funds and special purpose OR) as a percentage of total revenue remain prudent at 4.9 per cent in 2018 compared with 4.6 per cent in the revised budget for 2017. This ratio is projected to decrease over the life of the IMPACT Plan to 4.1 per cent in 2021. The increase in 2018 is to front-load investments in the Plan's first year in order to see greater returns in 2020 and 2021.

7. The institutional budget for 2018–2021 was approved by the Executive Board in decision 2017/14, as a part of the UNICEF integrated budget, 2018–2021 submission. The 2018 approved institutional budget for PFP amounts to $13.0 million, under the development effectiveness and management categories.

8. The special purpose budget covers the direct fundraising and private sector engagement activities linked to revenue and private sector engagement targets, and is approved by the Executive Board annually. The Division is seeking Executive Board approval for the special purpose budget for 2018 of $169.4 million funded by RR and $53.6 million funded by OR, for a total of $223 million. Of the $53.6 million funded

[1] The UNICEF definition of the "private sector" includes all entities that provide support to the organization and are not formally classified as Governments or multilateral entities. This includes members of the public, ultra-high-net-worth individuals and key influencers, civil society, businesses, private foundations and other social groups that can individually or collectively contribute to positive changes in the lives of children.

by OR, $2 million relates to a ceiling for engagement with the private sector and the remainder is the indicative ceiling for direct fundraising expenses in country offices.

9. Altogether, the institutional budget and requested special purpose budget for PFP and country offices for 2018 amount to $236 million.

10. A total of 439 posts are funded from the PFP budget, of which 206 are at headquarters, 23 in regional offices and 210 in country offices. Fifteen country office posts are funded by RR and 195 are funded by OR generated from in-country fundraising. (The costs of the country office OR posts appear in the annual PFP financial report, but the posts appear in the structures of the respective country offices.) In line with IMPACT Plan's objectives, several posts across Communication, Advocacy and Individual Giving have global responsibilities, particularly in support of the change strategy under the Strategic Plan, 2018–2021 on "winning support for the cause of children from decision makers and the wider public."

11. The Plan is risk-informed, and considers both opportunities and threats. This has enabled the establishment of targets underpinned by historical fundraising data that have been correlated with economic trends; and enriched with input from key partnership and stakeholder consultations as well as analysis and global knowledge around philanthropic giving. The greatest threat would be a significant underperformance in the attainment of the revenue goals. For this reason, PFP has worked with countries to build the revenue targets from the bottom up, identified barriers to achievement and developed an action plan embedded in a divisional risk management framework, which ensures that business and management risks and National Committee governance risks are regularly and promptly addressed. Risk is further mitigated through systematic and robust forecast analytics, monitoring and reinforced controls. Undoubtedly, recent experience has shown that there may be external factors that can affect fundraising goals, such as exchange rate impact and the timing of receipt of large philanthropic gifts. However, experience has shown that these are temporary shocks rather than long-term trends, and the Plan and its revenue goals are well grounded. It will be critical for UNICEF to remain agile and to maintain its capacity to adjust the goals, on an annual basis as needed.

12. As UNICEF embarks on the implementation of the new Plan, PFP will continually seek opportunities to learn, drive efficiencies and adapt activities and functions in response to the changing marketplace and new insights gained. The Division is also realigning key elements of its structure to reinforce internal oversight and management processes. This will include structural and procedural adjustments in several areas, including: country office support; non-financial engagement and advocacy by the National Committees; screening and research processes for businesses and foundations; financial oversight; knowledge management and internal communication; and oversight of programme activities funded by National Committee fundraising.

II. Results for 2017

13. Current estimates show that PFP will have met the goals outlined in the Private Fundraising and Partnerships Plan, 2014–2017. The Plan projected PFP revenue at $5.1 billion over its duration, and PFP is currently projected to achieve revenue of $5.4 billion for 2014–2017.

14. Based on the most recent estimates received as of 31 October 2017, the 2017 total private sector revenue is expected to be $1.424 billion, which is $61 million less than the projected revenue of $1.485 billion outlined in the 2017 revised budget, or a

decrease of 4 per cent. Overall, $1.424 billion represents growth of $92 million over 2016, or an increase of 7 per cent.

15. Private sector revenue is projected to contribute $668 million to RR in 2017. This is $3 million more than the 2017 revised budget figure of $665 million, and is driven largely by monthly pledge donors. Exchange rate fluctuations continue to be a concern as the currencies of some National Committees and country offices continue to be volatile compared to the United States dollar. The Division continues to work closely with major RR contributors to implement financial management practices to minimize the impact of exchange rate losses.

16. The private sector contribution to OR in 2017 is estimated at $756 million, which is $64 million less than the revised budget target. Emergency revenue is projected to continue to be strong at $151 million, or a $61 million increase over the budgeted figure of $90 million. This is due to active fundraising efforts and a high level of public interest in the seven Level 3 emergencies to which UNICEF is responding (as of 31 October 2017), as well as high-profile humanitarian crises. The increase in other resources (emergency) (ORE) is counterbalanced with a projected decrease in other resources (regular) (ORR) compared with the projected revised budget of $125 million. Four markets (Italy, Japan, the United States of America and the United Kingdom of Great Britain and Northern Ireland) reported lower than expected earnings related to revenue from foundations and other non-profit organizations.

17. The estimated PFP expenses for 2017 were $185 million as of 31 October 2017. The Division remains on track for planned implementation of the 2017 revised non-post budget.

18. The Division continued to work across three work streams for private sector engagement. First, PFP, National Committees and country offices have increasingly engaged with Governments and businesses on the direct and indirect impact of business activity on children, with PFP building evidence, developing guidance (with businesses and other parts of UNICEF), and supporting business engagement. Second, UNICEF has increasingly harnessed the power of business beyond cash donations by tapping into business expertise, innovations, design, technology, digital channels and other areas, and has collaborated to find new ways to reach the most disadvantaged communities, provide them with access to services and give them a voice. Third, PFP supported National Committee advocacy initiatives to promote specific measure to realize child rights in their countries, including the UNICEF response to the refugee and migrant crisis in Europe, monitoring implementation of the Sustainable Development Goals, and keeping track of efforts to tackle child poverty at the national level.

19. The management of the strategic relationship between UNICEF and the National Committees continued successfully in 2017. National Committee and PFP joint strategic plans were aligned in the priority areas of private sector fundraising, private sector engagement and the Global Communication and Public Advocacy Strategy.

20. The Division continues to maintain rigorous oversight of its activities through regular audits, strengthened forecasting and monitoring and reporting of revenue and expenses with regular review of risk registers and business continuity practices. The Division is also revisiting and strengthening the governance mechanisms of investment funds, partnerships, screening processes and innovative approaches that explore valuations of non-financial partnerships with the private sector.

Table 1

Statement of revenue and expenditure

2016 actual results, 2017 approved revised budget, 2017 latest estimates and 2018 proposed budget

(in millions of United States dollars)

	2016 Actual			*2017 approved revised budget*[a]		*2017 latest estimates*			*2018 proposed*[a]			*2018 vs. 2017 approved*	
	Regular resources (RR)	*Other resources (OR)*	*Total*	*RR*	*OR*	*Total*	*RR*	*OR*	*Total*	*RR*	*OR*	*Total*	*Amount*	*Percentage*
Private sector revenue														
Revenue from greeting cards and products	5.0		5.0	8.9		8.9	6.8		6.8	7.0		7.0	(1.9)	-21%
Private sector fundraising contributions	618.0	708.9	1 326.9	656.1	820.0	1 476.1	661.3	755.8	1 417.0	750.4	838.3	1 588.7	112.6	8%
National Committees	589.4	555.5	1 144.9	626.6	635.6	1 262.2	630.3	560.0	1 190.3	708.4	620.3	1 328.7	66.5	
Country offices	28.6	153.4	182.0	29.5	184.4	213.9	31.0	195.8	226.7	42.0	218.0	260.0	46.1	
Other revenue	0.2	–	0.2	–		–	–		–	–		–	–	0%
Total private sector revenue	**623.2**	**708.9**	**1 332.1**	**665.0**	**820.0**	**1 485.0**	**668.0**	**755.8**	**1 423.8**	**757.4**	**838.3**	**1 595.7**	**110.7**	**7%**
Private Fundraising and Partnerships (PFP) expenses														
A. Development effectiveness costs:	3.2		3.2	3.8		3.8	3.7		3.7	4.3		4.3	0.5	12%
National Committee Relations	3.2		3.2	3.8		3.8	3.7		3.7	4.3		4.3	0.5	12%
B. Management costs:	13.8		13.8	15.9		15.9	16.0		16.0	8.7		8.7	(7.2)	-45%
Director's Office and Strategic Planning	1.6		1.6	1.3		1.3	1.9		1.9	1.6		1.6	0.2	13%
Finance and Operations	12.3		12.3	14.6		14.6	14.1		14.1	7.1		7.1	(7.5)	-51%
C. Special purpose costs:	105.9	28.6	134.5	128.2	45.3	173.5	123.6	41.7	165.2	169.4	53.6	223.0	49.5	29%
Fundraising	22.8		22.8	25.6		25.6	21.6		21.6	33.8		33.8	8.2	32%
Country Office Support[c]	4.3		4.3	5.3		5.3	4.8		4.8	6.9		6.9	1.6	30%
Country Office Direct Fundraising Costs	1.3	27.9	29.2	3.1	43.3	46.4	1.7	41.5	43.2	3.7	51.6	55.3	8.8	19%
Marketing and Communication	7.4		7.4	7.8		7.8	7.0		7.0	11.3		11.3	3.4	44%
Procurement	0.8		0.8	1.2		1.2	1.2		1.2	1.4		1.4	0.2	15%
Private Sector Engagement	5.0	0.7	5.7	5.1	2.0	7.1	5.2	0.2	5.4	7.4	2.0	9.4	2.3	33%

	2016 Actual			2017 approved revised budget[b]			2017 latest estimates			2018 proposed			2018 vs. 2017 approved	
	Regular resources (RR)	Other resources (OR)	Total	RR	OR	Total	RR	OR	Total	RR	OR	Total	Amount	Percentage
Investment funds	64.3		64.3	80.0		80.0	82.0		82.0	105.0		105.0	25.0	31%
Total PFP expenses	**122.9**	**28.6**	**151.5**	**147.9**	**45.3**	**193.2**	**143.3**	**41.7**	**185.0**	**182.4**	**53.6**	**236.0**	**42.8**	**22%**
Licensing/Sales expenses of National Committees	0.2		0.2	0.7		0.7	0.4		0.4	0.4		0.4	(0.3)	-42%
Impairment	0.3	1.9	2.1											
PFP foreign exchange gains (losses)	(4.6)	(0.1)	(4.7)	–		–			–	–		–	–	0%
Net private sector surplus	**504.4**	**678.5**	**1 182.9**	**516.4**	**774.7**	**1 291.1**	**524.3**	**714.1**	**1 238.5**	**574.6**	**784.7**	**1 359.3**	**68.2**	**5%**

[a] Country Office Support costs include the Country Office Development and Support Unit and regional support centres.

[b] In its decision 2017/16, the UNICEF Executive Board approved an additional allocation of $12.2 million for the 2017 budget.

III. Key expected results for 2018 and required resources in the Private Fundraising and Partnerships 2018 budget

21. Based on the UNICEF Strategic Plan, 2018–2021 and the goals detailed in the IMPACT Plan, in 2018 PFP will aim to meet a revenue goal of $1.596 billion, of which $757 million will be RR. This will require a total special purpose budget of $223 million ($169.4 million RR, $53.6 million OR) and an institutional budget of $13 million, for a total of $236 million (see table 2 for details).

22. Below are the planned results and strategies for 2018 by private sector audience:

Outcome 1. 68.5 million people are changing the world with UNICEF through their voices and donations by 2018

1.1 8.5 million people donating private sector revenue of $924 million by 2018;

1.2 60 million people (including children) mobilized as supporters to take action for children to promote children's rights by 2018.

23. For the first planned result, a total special purpose budget of $185.3 million ($133.7 million RR, $51.6 million OR) is proposed in order to meet the revenue goal of $924 million. Below are some of the key private sector fundraising strategies planned for 2018 to achieve this revenue growth:

(a) The Division will continue to focus resources on the markets with the highest growth potential for individual giving, including monthly pledge giving, one-off giving and legacies. The Division will identify and test new channels and modalities for significantly increasing pledge donors with the aim of taking them to scale;

(b) Investment funds will be increased by $25 million, or 31 per cent, from $80 million in the 2017 revised budget to $105 million proposed in 2018, to drive growth in priority markets, and specifically in high-yield revenue streams that generate RR, such as pledge and legacy;

(c) The Division will continue to support private fundraising and partnerships in high-potential country offices;

(d) The Division will work with UNICEF headquarters divisions, National Committees, regional offices and country offices to deliver on the Plan's results. Recruitment of supporters at the local level will be pursued through several means, including digital channels, child rights education and the child friendly city initiative. These initiatives will enable UNICEF to build a global constituency of 60 million supporters, mobilized to add their voices and energy in support of Cause Framework campaigns and World Children's Day.

Outcome 2. Impact and effectiveness of key influencers are maximized to advance children's rights and well-being

2.1 Leading philanthropic partners commit to working with UNICEF and investing $510 million annually by 2018 to achieve transformational change for children;

2.2 Key influencers amplify UNICEF advocacy messaging on priority issues affecting children.

24. For this second planned result, a total special purpose budget of $4.3 million RR is proposed, with a 2018 revenue goal of $510 million. To reach these goals, PFP will increase strategic donor outreach and cultivation. This will also include mobilizing key influencers at multi-stakeholder platforms (e.g. the World Economic Forum and UN Global Compact) to

support global priority campaigns and events; launching the UNICEF International Council platform for philanthropic donors; mobilizing key influencers through a network of 900 municipalities in high-income countries; and mobilizing key influencers to strengthen and amplify policy advocacy in National Committee countries.

Outcome 3. Power, reach and influence of businesses are fully harnessed for children

3.1 Partnerships with businesses maximize results for children, delivering revenue (a projected $162 million in 2018) and influence; result in changes in business practices to support the protection of children's rights, and leverage core business and assets for UNICEF;

3.2 Businesses take sustainable action to respect children's rights in all business activities and relationships;

3.3 Businesses and business stakeholders advocate for children.

25. For the third planned result, a total special purpose budget of $13.8 million RR is proposed in order to raise $162 million in 2018. Adopting an audience-based approach to the business sector requires UNICEF to develop new ways of engaging business partners and their stakeholders, as well as driving revenue growth by optimizing current partnership approaches.

26. In the Strategic Plan, 2018–2021, PFP committed to harnessing the power of the corporate sector to achieve change for children. UNICEF is piloting priority integrated partnerships that allow identification of companies that potentially could play an instrumental role in achieving the large-scale impact for children detailed in the Strategic Plan. Such partnerships harness the power of corporate core business assets, child rights and business, revenue, influence and reach, and may provide financial or non-financial support to the organization.

27. UNICEF will continue to enhance its partnership offerings, including testing corporate pathways to pledge in developed markets; building success cases and taking them to scale globally; strengthening engagement platforms during key moments for fundraising and advocacy during the year; and testing leadership-giving approaches to engage high net worth individuals through corporate networks.

Outcome 4. Governments at all levels in countries with a National Committee presence deliver on UNICEF priorities for children, as defined in the Strategic Plan, both domestically and globally

4.1 Governments maintain and increase budgeting for children domestically and globally;

4.2 Increased action by Governments to respect, protect and fulfil children's rights nationally and globally, including through the Cause Framework.

28. For the fourth planned result, a total special purpose budget of $4.0 million ($2.0 million RR, $2.0 million OR) is proposed. The Division will continue to reinforce its strategic engagement with the private sector and undertake advocacy activities to advance children's rights. To fund activities to fulfil this agenda, up to $2 million in OR will be raised from Governments, businesses and other donors, such as foundations. Key strategies include the roll out of UNICEF global advocacy priorities in accordance with the Cause Framework in National Committees countries, advocacy capacity-building in National Committees on priorities, and support for monitoring and reporting on the Convention on the Rights of the Child and the implementation of the Sustainable Development Goals by the National Committees.

Outcome 5. By 2021, UNICEF is the most trusted and engaging organization improving the lives of children across the globe

5.1 The public has increased awareness of and familiarity with the work of UNICEF as the leading organization for children in private sector markets;

5.2 There is increased recognition of the work of UNICEF, and the organization is viewed as one that 'gets things done';

5.3 UNICEF mobilizes audiences to take action for children in private sector markets;

5.4 UNICEF optimizes the use of compelling, engaging and emotive content to build the brand.

29. For the fifth planned result, a total special purpose budget of $5.0 million RR is proposed. Priorities for 2018 include: roll out and strengthening of priority integrated fundraising, communications and advocacy campaigns with all National Committees; streamlined and audience-focused content plans; enhanced communication and marketing support for private sector partnerships; strengthening monitoring, target setting and building the brand in private sector markets; and an enhanced brand barometer study with deep analysis and insight.

Outcome 6. By 2018, UNICEF is well positioned, with a common culture, to deliver on ambitious results with the private sector (and public sector, in National Committee countries)

6.1 Fit for business: responsive, transparent and accountable governance;

6.2 Planning and delivering as one UNICEF: Efficient and effective management of results;

6.3 Versatile, safe and secure information systems support the delivery of the IMPACT Plan;

6.4 People: Versatile staff (UNICEF and National Committee) as agents of change with the private sector.

30. For the sixth planned result, a total of $23.7 RR is proposed, of which $10.7 million RR is from the special purpose budget and $13 million from the institutional budget. This will help to assure financial and operational excellence within the Division and support global fundraising operations. It will also be used to strengthen coordination, oversight and risk management activities in the National Committees, including joint strategic planning and monitoring implementation of the Cooperation Agreement. The Division will also continue to guide the governing boards and executive management teams of the National Committees on the implementation of the principles of good governance relating to management and operations, board activities, disclosure and transparency, ethics, audit, risk management and compliance. Management and operations support will be focused on the overall guidance and strategic direction of all aspects of UNICEF private sector fundraising and partnerships; continued strengthening of the management of PFP activities; design and use of cutting-edge information technology; monitoring of financial reporting for private sector revenue generation and the use of investment funds; and robust human resource management to ensure the timely recruitment and retention of high calibre staff as well as a continued focus on staff performance assessment and development.

31. The Division is realigning key elements of its structure to reinforce internal oversight, processes and procedures in support of all countries; internal communications; the due diligence process for working with corporate and foundation partners; oversight of programme funding by National Committees; and to support harnessing the full potential scope of partnerships with businesses.

Table 2
Proposed budget, by expected results
1 January–31 December 2018
(in millions of United States dollars)

Expected results	*Resource requirements*		
	Regular resources	*Other resources*	*Total*
Special purpose	**169.4**	**53.6**	**223.0**
Outcome 1: 68.5 million people are changing the world with UNICEF through their voices and donations by 2018	**133.7**	**51.6**	**185.3**
Output 1.1: 8.5 million people donating private sector revenue of $924 million by 2018	131.9	51.6	183.5
Output 1.2: 60 million people (including children) mobilized as supporters to take action for children to promote children's rights by 2018	1.8		1.8
Outcome 2: Impact and effectiveness of key influencers are maximized to advance children's rights and well-being	**4.3**		**4.3**
Output 2.1: Leading philanthropic partners commit to working with UNICEF and investing $510 million annually by 2018 to achieve transformational change for children	4.0		4.0
Output 2.2: Key influencers amplify UNICEF advocacy messaging on priority issues affecting children	0.3		0.3
Outcome 3: Power, reach and influence of businesses are fully harnessed for children	**13.8**		**13.8**
Output 3.1: Partnerships with businesses maximize results for children, delivering revenue (a projected $162 million in 2018), influence, result in changes in business practices to support the protection of children's rights, and leverage core business and assets for UNICEF	8.6		8.6
Output 3.2: Businesses take sustainable action to respect children's rights in all business activities and relationships	2.7		2.7
Output 3.3: Businesses and business stakeholders advocate for children	2.4		2.4
Outcome 4: Governments at all levels in countries with a National Committee presence deliver on UNICEF priorities for children, as defined in the Strategic Plan, both domestically and globally	**2.0**	**2.0**	**4.0**
Output 4.1: Governments maintain and increase budgeting for children domestically and globally	1.7	2.0	3.7
Output 4.2: Increased action by Governments to respect, protect and fulfil children's rights nationally and globally, including through the Cause Framework	0.3		0.3
Outcome 5: By 2021, UNICEF is the most trusted and engaging organization improving the lives of children across the globe	**5.0**		**5.0**
Output 5.1: The public has increased awareness of and familiarity with the work of UNICEF as the leading organization for children in private sector markets	1.7		1.7
Output 5.2: There is increased recognition of the work of UNICEF, and the organization is viewed as one that 'gets things done'	1.3		1.3
Output 5.3: UNICEF mobilizes audiences to take action for children in private sector markets	1.3		1.3

Expected results	*Resource requirements*		
	Regular resources	*Other resources*	*Total*
Output 5.4: UNICEF optimizes the use of compelling, engaging and emotive content to build the brand	0.8		0.8
Outcome 6: By 2018, UNICEF is well positioned, with a common culture, to deliver on ambitious results with the private sector (and public sector, in National Committee countries)	**10.7**		**10.7**
Output 6.1: Fit for business: responsive, transparent and accountable governance	2.9		2.9
Output 6.2: Planning and delivering as one UNICEF: Efficient and effective management of results	7.0		7.0
Output 6.3: Versatile, safe and secure information systems support the delivery of the IMPACT Plan	0.3		0.3
Output 6.4: People: Versatile staff (UNICEF and National Committee) as agents of change with the private sector	0.4		
Development effectiveness	**4.3**		**4.3**
Outcome 6: By 2018, UNICEF is well positioned, with a common culture, to deliver on ambitious results with the private sector (and public sector, in National Committee countries)	**4.3**		**4.3**
Output 6.1: Fit for business: responsive, transparent and accountable governance	4.3		4.3
Management	**8.7**		**8.7**
Outcome 6: By 2018, UNICEF is well positioned, with a common culture, to deliver on ambitious results with the private sector (and public sector, in National Committee countries)	**8.7**		**8.7**
Output 6.1: Fit for business: responsive, transparent and accountable governance	4.9		4.9
Output 6.2: Planning and delivering as one UNICEF: Efficient and effective management of results	3.6		3.6
Output 6.4: People: Versatile staff (UNICEF and National Committee) as agents of change with the private sector	0.3		0.3
Total proposed budget for achieving results	**182.4**	**53.6**	**236.0**

IV. Revenue and expense projections for 2018

A. Introduction

32. The format and presentation of the budget and tables are aligned with those of the UNICEF integrated budget, 2018–2021. The PFP expenses are divided into three categories: development effectiveness; management; and special purpose.

33. The PFP expenses that fall under the development effectiveness and management categories were approved by the Executive Board as part of the integrated budget, 2018–2021. The present submission presents special purpose expenses to the Executive Board for approval.

34. Planning for the 2018 PFP budget was based on a medium-growth scenario (see table 3), using the country revenue projections that were submitted to PFP in early 2017 by the National Committees and country offices. Total private sector revenue for the medium-growth scenario, at $1.6 billion, is forecast to be $111 million, or 7 per cent, higher than 2017 revised budget of $1.49 billion. The Board will be requested to authorize PFP to incur expenses in line with the medium-growth scenario and to increase expenses up to the level of the high-growth scenario

should the proceeds from fundraising reach the high projected revenue levels, and to reduce expenses should the proceeds decrease.

35. The expenses/private sector revenue ratio will increase from 13 per cent in the 2017 revised budget to 14.8 per cent in 2018 due to the overall increase in investments to meet the goals of the IMPACT Plan. When evaluating operating expenses alone, i.e. excluding investment funds and special purpose budget OR expenses, the operational expenses/private sector revenue ratio will increase from 4.6 per cent in the 2017 revised budget, or $68 million, to 4.9 per cent, or $77.4 million, in the budget proposed for 2018. The efficiency ratio, which measures operational costs as a percentage of revenue raised, is projected to improve over the duration of the IMPACT Plan from 4.9 per cent of revenue in 2018 to 4.1 per cent of revenue in 2021.

36. As indicated in table 1, the net private sector surplus for 2018, after deducting PFP expenses, investment funds and National Committee licensing expenses, is projected to reach $1.36 billion. This figure is $68.2 million, or 5 per cent, higher than the revised budget figure for 2017.

B. Revenue

37. The proposed budget for 2018 projects a 7 per cent increase in total private sector revenue, from $1.49 billion in the 2017 revised budget to $1.6 billion in 2018.

38. This revenue growth includes an increase of 14 per cent, or $92 million, in private sector RR revenue, from $665 million in the 2017 revised budget, to $757 million proposed for 2018. For OR, there is a projected increase of 2 per cent, or $18 million, from $820 million in the 2017 revised budget, to $838 million proposed for 2018.

C. Expenses

39. The total PFP expenses for both the institutional budget and the proposed special purpose budget in 2018 is $236 million. This is a $42.8 million increase from the 2017 revised budget of $193.2 million. The $42.8 million is comprised of an increase in investment funds of $25 million, an additional $8.3 million of special purpose OR costs for country office fundraising and a $9.5 million increase in expenses covered by RR.

40. Three categories of costs make up PFP expenses: development effectiveness; management; and special purpose.

Development effectiveness costs (institutional budget)

41. In PFP, development effectiveness costs cover the management of the strategic relationship with the National Committees. The proposed development effectiveness budget for 2018 will increase by $0.5 million to $4.3 million from the 2017 revised budget, and will remain in line with the institutional budget ceilings approved as part of the UNICEF integrated budget, 2018–2021.

Management costs (institutional budget)

42. In PFP, management costs cover the activities of the Director's Office and Strategic Planning, and the Finance and Operations sections. Management costs will decrease by 45 per cent, from $15.9 million in the 2017 revised budget to $8.7 million in 2018, due to the shift of the common services budget out of the PFP budget. UNICEF has agreed on a revised mechanism that better reflects the shared nature of the activities at Geneva headquarters and provides improved cost allocation by entity.

43. Management costs, which are funded by the institutional budget component of the PFP budget, remain in line with the institutional budget for 2018 to 2021, approved as part of the UNICEF integrated budget.

Special purpose costs

44. Special purpose costs are defined as costs that cover activities of a cross-cutting nature that (a) involve material capital investments; or (b) do not represent a cost related to the management activities of the organization.

45. In PFP, special purpose costs covered by RR refer to the activities of the Fundraising; Country Office Support; Marketing and Communication; Procurement; and Private Sector Engagement sections.

46. When comparing only the special purpose component of the PFP budget, excluding OR costs and investment funds, the budget will increase by 34 per cent, from $48.2 million in 2017 to $64.4 million in 2018. The increase of $16.2 million is due to the overall increase in investments in strategic revenue-generating activities and strengthened oversight aimed at increasing RR revenue for UNICEF in the short and longer term. The budget increase is necessary to meet the revenue projections outlined in the integrated results and resources framework of the UNICEF Strategic Plan, 2018–2021.

47. The proposed investment fund budget is requested to increase from $80 million in the 2017 revised budget to $105 million in 2018, or 31 per cent, to further grow RR and develop critical and sustainable revenue streams, such as legacies and digital fundraising.

48. In the Private Fundraising and Partnerships Plan, 2014–2017, two pillars are supported by special purpose resources: fundraising from private individuals, business and foundations; and private sector engagement. In the IMPACT Plan 2018–2021, special purpose resources will support six goals (or audiences): development of income and influence from private individuals; from key influencers; and from businesses; working with Governments at all levels; ensuring the UNICEF brand is fully leveraged; and ensuring that UNICEF is fit to deliver on the ambitious results of the Plan.

49. The proposed special purpose resources will enable UNICEF to meet the goals of the first year of the IMPACT Plan through six strategies: providing global fundraising expertise and building capacity in the National Committees and country offices; implementing an integrated approach to UNICEF engagement with businesses; monitoring the quality and strengthening the reporting of results; strategically applying and rigorously monitoring the use of investment funds; managing the brand; and excelling in operations and governance.

50. The proposed budget for private sector fundraising will increase by $8.2 million, or 32 per cent, from $25.6 million in the 2017 revised budget to $33.8 million in 2018. The increase is mainly due to an additional 21 posts. To meet the revenue growth outlined in the Strategic Plan, 2018–2021 the fundraising structure has been revised to focus on strategic priorities, including: (a) expanding and reinforcing the focus on digital giving and systems; (b) increasing new business and partnership management capacity to drive growth through geographic and thematic diversification of the foundations strategy and focus on the ultra-high-net-worth-individuals segment; (c) creating capacity in the regional support centres (RSCs) in Bangkok and Panama City to provide direct technical and capacity-building support to National Committees and country offices; (d) reinforcing the market development approach in the fundraising structure and integrating investment funds and fundraising analysis into the Market Development team; and (e) increasing capacity in the legacy channel and improving coordination for fundraising in emergencies.

51. The rationale for increasing investment funds is detailed in section V.

52. The special purpose RR budget for country office support and country office direct fundraising costs will increase by $2.2 million, or 25 per cent, to $10.6 million in 2018. The

increase is due to four additional posts and non-post costs. The Country Office Development and Support team and RSCs will be instrumental in driving the revenue goals outlined in the IMPACT Plan in country offices. Key staffing strategies will be implemented, including decentralizing posts to RSCs in order to support priority markets in individual giving, corporate partnerships and key influencers, and a strategic shift within the RSCs to reinforce market development, whereby fundraising leaders work with groups of countries to maximize revenue.

53. The proposed budget for marketing and communication for 2018 is $11.3 million, an increase of $2.5 million from the 2017 revised budget, mainly due to establishment of three additional posts and increased non-post costs related to implementation of the Cause Framework and understanding global markets and market trends to capture global market share. Furthermore, Communication and Marketing will implement strategies related to building the UNICEF brand by integrating brand building into four teams: market support and development; supporter content; business philanthropic partnerships; and brand and market knowledge.

54. Procurement costs will increase by $0.2 million, or 15 per cent, from the 2017 revised budget to the 2018 proposed budget as a result of two upgraded positions and additional non-post costs related to reinforcing capacity and authority within the existing team to distribute the increasing workload more equitably.

55. In 2018, the special purpose RR budget for private sector engagement will be $7.4 million, a $2.3 million increase over the $5.1 million in the 2017 revised budget. The increase is due to the establishment of four posts and an increase in consultancy costs to support advocacy and delivery on the child rights agenda.

56. Table 3 outlines the range of budgeted revenue and expenditure for 2018. The medium projection is the agreed target for each year of the Plan and for 2018, the first year. The high projection is based on high-performing strategic investments with returns on investment beyond their projected ratios.

Table 3

UNICEF Private Fundraising and Partnerships Plan: Range of budgeted revenue and expenditure, 2018

(in millions of United States dollars)

	I low projection	*II medium projection*	*III high projection*
Private sector revenue			
National Committees	1 326.0	1 335.7	1 351.0
Country offices	253.0	260.0	266.0
Total private sector revenue	**1 579.0**	**1 595.7**	**1 617.0**
Private Fundraising and Partnerships (PFP) expenses			
A Development effectiveness costs	4.1	4.3	4.5
National Committee Relations	4.1	4.3	4.5
B Management costs	8.3	8.7	9.2
Director's Office and Strategic Planning	1.5	1.6	1.7
Finance and Operations	6.8	7.1	7.5
C Special purpose costs	212.1	223.0	238.9
Fundraising	32.1	33.8	35.5
Country Office Support[a]	6.6	6.9	7.3
Country Office Direct Fundraising Costs	52.5	55.3	58.0
Marketing and Communication	10.7	11.3	11.8
Procurement	1.3	1.4	1.4
Private Sector Engagement	8.9	9.4	9.9
Investment Funds	100.0	105.0	115.0
Total PFP expenses	**224.5**	**236.0**	**252.6**
Licensing/Sales expenses of National Committees	0.4	0.4	0.4
Net private sector surplus	**1 354.1**	**1 359.3**	**1 364.0**

[a] Country Office Support Costs include the Country Office Development and Support Unit and the regional support centres.

Table 4

UNICEF Private Fundraising and Partnerships Plan: Financial projections 2016 actual results, 2017 approved revised budget, 2017 latest estimates, 2018 proposed budget and 2019 projections

(in millions of United States dollars)

	2016 actual results	2017 approved revised budget[2]	2017 latest estimates	2018 proposed budget	2019[3] projection
Private sector revenue					
Revenue from greeting cards and products	5.0	8.9	6.8	7.0	7.0
Private sector fundraising contributions	1,326.9	1,476.1	1,417.0	1,588.7	1,769.0
National Committees	1,144.9	1,262.2	1,190.3	1,328.7	1,479.5
Country offices	182.0	213.9	226.7	260.0	289.5
Other revenue	0.2	0.0	0.9	0.0	0.0
Total private sector revenue	**1,332.1**	**1,485.0**	**1,423.8**	**1,595.7**	**1,776.0**
Private Fundraising and Partnerships (PFP) expenses					
A Development effectiveness costs	**3.2**	**3.8**	**3.7**	**4.3**	**4.5**
National Committee Relations	3.2	3.8	3.7	4.3	4.5
B Management costs	**13.8**	**15.9**	**16.0**	**8.7**	**9.0**
Director's Office and Strategic Planning	1.6	1.3	1.9	1.6	1.7
Finance and Operations	12.3	14.6	14.1	7.1	7.4
C Special purpose costs	**134.5**	**173.5**	**165.2**	**223.0**	**245.5**
Fundraising	22.8	25.6	21.6	35.8	34.2
Country Office Support[1]	4.3	5.3	4.8	6.9	7.5
Country Office Direct Fundraising Costs	29.2	46.4	43.2	55.3	66.0
Marketing and Communication	7.4	7.8	7.0	11.5	11.8
Procurement	0.8	1.2	1.2	1.4	1.4
Private Sector Engagement	5.7	7.1	5.4	9.4	9.7
Investment Funds	64.3	80.0	82.0	105.0	115.0
Total PFP expenses	**151.5**	**193.2**	**185.0**	**236.0**	**259.0**
Sales Licensing Sales expenses of National Committees	0.2	0.7	0.4	0.4	0.0
PFP foreign exchange gains (losses)	(4.7)	0.0	0.0	0.0	0.0
Net private sector surplus	**1,175.6**	**1,291.1**	**1,238.5**	**1,359.3**	**1,517.0**

1 Country office Support Costs include the Country Office Development and Support unit and regional support centres.

2 In its decision 2017/16, the UNICEF Executive Board approved an additional allocation of $12.2 million for the 2017 budget.

3 Projections for the year 2019 are tentative and therefore subject to change.

V. Investment funds

57. Private sector investment funds are managed, allocated and monitored by PFP as part of the Division's accountability to increase private sector revenue. Private sector fundraising contributions are projected to reach $1.6 billion by the end of 2018.

58. For 2018, the proposed investment fund budget is requested to increase from $80 million in the 2017 revised budget to $105 million, or a 31 per cent increase, to further grow RR and develop critical revenue streams such as pledge, legacies, global philanthropy, partnerships and digital fundraising.

59. Based on experience and lessons learned from a successful investment funds strategy, the IMPACT Plan proposes to increase investment funds to $450 million over the four-year period. In 2016, PFP RR grew by 18 per cent compared with 2015, or by $94 million. Over the 2018 to 2021 period, RR is projected to reach $3.6 billion, an additional $1.2 billion over the projections for 2014 to 2017, and continuing investment at the levels outlined in the Private Fundraising and Partnerships Plan is a prerequisite for growth. Increased resources must be accompanied by investment in improving technical skills and systems at headquarters and in countries to ensure that returns are optimized. Furthermore, investment funds over $100 million per year cannot be successfully managed without robust risk management capacity. The alignment of investment

fund allocations with the Plan and improved revenue monitoring will ensure that investment funds are effectively deployed to secure growth in private sector revenue.

60. The projected return from 2018 investment funds is in line with the 3:1 minimum required on the investment funds portfolio, with the exception of those funds related to legacy giving and innovation. Investment in legacy giving has a longer payback period with a significantly higher return, but cannot be accurately projected over a three-year period. Limited funds will be available for innovation and testing new fundraising techniques with no immediate return on investment, but will ensure UNICEF remains at the forefront of exploring new fundraising techniques.

61. The investment fund allocation process for 2018 indicates that the $90 million invested in 2018 for campaigns not related to legacies or innovation will generate $288 million in contributions (before the deduction of National Committee expenses) over 36 months: a return on investment of 3.2:1. This investment in 2018 will complement fundraising investments by National Committees and country offices to ensure that the revenue goals set out in the IMPACT Plan are met.

VI. Human resources: post changes

62. The number of posts funded by the PFP budget is proposed to increase by a net total of 46 posts in 2018 (35.75 posts funded by RR and 10.5 funded by OR), for a total of 439 posts worldwide. Of this total, 44 posts are funded by the institutional budget and are all located at headquarters. There are 200 posts funded by RR (special purpose costs), of which 162 are located at headquarters, 23 are in regional offices and 15 are in country offices. An additional 195 fundraising posts in country offices are funded by the OR special purpose budget (generated by in-country fundraising). A summary of the post changes proposed for 2018 is provided in annex I.

63. In 2018, PFP proposes to establish 52 posts, abolish 15 posts and change funding for 1 post to the regional office institutional budget, for a net increase of 35.75 posts funded by RR; 88 per cent of these, or 46 posts, will directly support revenue-generating activities and targets; and 11 posts will be based outside of Geneva. This will significantly increase the Division's global presence, putting technical expertise in fundraising closer to high-potential markets. These roles will include individual giving specialists, legacy specialists, digital fundraising experts and a global philanthropic team. This will also strengthen investment fund monitoring and support, underpin new and cutting-edge work on global online platforms for supporter engagement through the Information and Communication Technology team, institute a fundraising academy and enable recruitment.

64. There are no post changes in the Director's Office.

65. The majority of the post changes at headquarters are in fundraising, with 12 posts abolished, 26 new posts established, 2 posts regularized and 9 posts (net) transferred out of fundraising to other sections. In 2018, the Private Sector Fundraising team will have 76 posts. The team will focus on increasing revenue growth from individual donors, corporate partnerships and key influencers to $2.75 billion annually by 2021.

66. To maximize fundraising efforts, changes will include: reinforced capacity to grow the legacy channel to expand capacity to deliver engaging content; expansion and reinforced focus on digital giving and systems; cross-cutting support to campaigns, including the Cause Framework; increased new business and partnership management capacity to drive growth through geographic and thematic diversification of the foundations strategy and focus on the ultra-high-net-worth-individuals segment; a reinforced market-development approach in the fundraising structure, including integration of investment funds and fundraising analysis; redirected focus of the Corporate Partnerships team on core business/shared value and core assets by abolishing 10 posts and establishing eight posts to focus on strategic goals; improved

coordination for fundraising in emergencies and increased technical and capacity-building support in both National Committees and country offices.

67. The Private Sector Engagement team is proposing to establish one post and regularize three posts in 2018, an increase from 17 posts in 2017 to 21 posts in 2018. These posts would directly contribute to the 'influence' outcomes of the IMPACT Plan for each one of the audiences — individuals, key influencers, businesses and Governments (via advocacy by the National Committees) — and to priority campaigns and priority integrated partnerships.

68. In order to support the impressive growth required of country offices, the Country Office Development and Support team is proposed to increase by two posts, thus bringing the number of posts to six in 2018.

69. The regional support centres will have an increase of five posts and one change in funding from the special purpose budget to the regional office institutional budget, which will reinforce market development in the East Asia and the Pacific, Europe and Central Asia, Latin America and Caribbean and West and Central Africa regions.

70. For country offices that directly fund their fundraising programmes through their gross revenue, PFP and the respective regional directors will share approval responsibilities for posts funded by special purpose OR, with final approval resting with the relevant UNICEF regional offices. The expenses for these posts with be reflected in the PFP financial report, while the posts will remain within the structure of the country offices. Structures will be updated as part of 2018 PFP annual budget submission to the Office of the Executive Director in late 2017. The current OR ceiling proposal for country offices is $51.6 million, which is 20 per cent of projected revenue of $260 million in 2018.

71. The total number of posts funded by special purpose OR will increase from 184.5 approved in 2017 to 195 in 2018 (as of October 2017), all of which relate to country offices. Post changes for fundraising OR posts in country offices are jointly approved by PFP and the respective regional directors.

72. The Marketing and Communication section has 25.5 posts. There are three proposed establishments and 3.5 posts will be transferred to the Planning, Reporting, Information, Monitoring and Evaluation (PRIME) section, resulting in a net decrease of 0.5 posts. The new posts will (i) produce better and more compelling content for a wide range of audiences; (ii) support important partner visibility and profiling work in support of corporate and philanthropic partnerships; and (iii) support the media desk and ensure strong public relations strategies for key fundraising partners.

73. Procurement will be upgrading two General Service posts in order to provide additional capacity and support on low-value procurement. This will enable the rest of the section to focus on higher value procurement and on streamlining processes to better serve their stakeholders.

VII. Draft decision

74. The draft decision relating to the Private Fundraising and Partnerships budget for 2018 is presented below for approval by the Executive Board.

A. Private Fundraising and Partnerships budgeted expenses for the 2018 fiscal year (special purpose)

The Executive Board

1. Approves for the fiscal year 2018 (1 January to 31 December) budgeted special purpose expenses of $223 million, as detailed in the table below.

(in millions of United States dollars)

Investment fund costs funded by special purpose regular resources	105.0
Other private sector fundraising costs funded by special purpose regular resources	64.4
Total private sector fundraising and partnerships costs funded by special purpose regular resources	**169.4**
Private sector fundraising and partnerships costs funded by special purpose other resources	**53.6**
Total special purpose expenses	**223.0**

2. *Authorizes* UNICEF

(a) To incur expenses, as summarized in column II of table 3 of the document E/ICEF/2018/AB/L.1, and to decrease or increase expenses, up to the levels indicated in columns I and III of the same table, should the apparent revenue from fundraising decrease or increase to the levels indicated in columns I and III;

(b) To redeploy resources between the various regular resources budget lines (as detailed in paragraph 1 above), up to a maximum of 10 per cent of the amounts approved;

(c) To spend an additional amount between Executive Board sessions, when necessary, up to the amount caused by currency fluctuations, to implement the 2018 approved workplan.

3. *Encourages* the Executive Director to identify and respond to new market opportunities, should they arise, between Executive Board sessions and to notify the Board accordingly.

B. Budgeted revenue for the year 2018

The Executive Board

Notes that, for the period 1 January to 31 December 2018, Private Fundraising and Partnerships revenue is budgeted at $1.6 billion, as shown in column II of table 3 of document E/ICEF/2018/AB/L.1.

C. Policy issues

The Executive Board

1. *Approves* the allocation of investment funds amounting to $105 million for 2018;

2. *Approves* an interim one-month allocation for January 2019 of $16.9 million (or 10 per cent of the special purpose regular resources allocation of $169.4 million), to be absorbed in the annual Private Fundraising and Partnerships budget for 2019.

Annex I

Summary of post changes proposed for 2018

Detail	Post levels						Total			Grand
	D2	D1	P5	P4	P3	P2	IP	NO	GS	total
Base post authorization table: 2017 approved	**1**	**4**	**20**	**47**	**50**	**11**	**133**	**0**	**39**	**172**
Private Fundraising and Partnerships (PFP) headquarters										
Approved 2017	1	4	20	47	50	11	133	0	39	172
Post changes 2018										
Management	0	0	0	0	0	1	1	0	0	1
Development effectiveness	0	0	0	0	0	1	1	0	0	1
Special Purpose	0	0	0	9	19		28	0	4	32
Proposed 2018	1	4	20	56	69	13	163	0	43	206
Change vs. 2017 approved	0	0	0	9	19	2	30	0	4	34
Regional support centres and UNICEF country offices (special purpose)										
Approved 2017	0	0	3	10	8	0	21	6	8	37
Post changes 2017 latest estimates and 2018	0	0	0	2	2	0	5	-1	0	2
Proposed 2018	**0**	**0**	**3**	**12**	**10**	**0**	**25**	**5**	**8**	**38**
Change vs. 2017 approved	0	0	0	2	2	0	4	-1	0	2
Total PFP regular resources										
Approved 2017	1	4	23	57.5	58	11	155.5	6	46.5	208
Proposed 2018	**1**	**4**	**23**	**68**	**79**	**13**	**188**	**5**	**51**	**244**
Change vs. 2017 approved	0	0	0	11	20	2	33	-1	4	36
UNICEF country offices: other resources (special purpose)										
Approved 2017	0	0	0	7	1	0	8	80	97	185
Post changes 2017 latest estimates and 2018	0	0	1	-1	1	0	2	6	3	11
Proposed 2018	**0**	**0**	**1**	**6**	**2**	**0**	**9**	**86**	**100**	**195**
Change vs. 2017 approved	0	0	1	-1	1	0	2	6	3	11
Total PFP										
Approved 2017	1	4	23	64	60	11	163	86	144	393
Proposed 2018	**1**	**4**	**24**	**74**	**81**	**13**	**197**	**91**	**151**	**439**
Change vs. 2017 approved	0	0	1	10	21	2	34	5	7	46

Abbreviations: IP = International Professional; NO = National Officer; GS = General Service

Annex II

Summary of the UNICEF Private Sector Plan 2018–2021: IMPACT for Every Child

Background and process

1. The UNICEF Private Sector Plan 2018–2021: IMPACT for Every Child (the 'IMPACT Plan') presents a common vision and framework for private sector fundraising and partnerships across UNICEF, including in headquarters divisions, regional offices, country offices and the National Committees for UNICEF in support of the UNICEF Strategic Plan, 2018–2021. The IMPACT Plan is led by the Division of Private Fundraising and Partnerships (PFP) as custodian of the relationship with the National Committees and as coordinator of UNICEF private sector fundraising and engagement. The Plan embraces areas of mutual interest and engagement with the private sector between UNICEF divisions, regional offices, National Committees and country offices to ensure effective coordination and alignment on key strategies that support the achievement of the organizational goals outlined in the Strategic Plan.

2. Through close consultation with key stakeholders since January 2016, PFP has aimed to develop a plan that includes: a four-year overview of priority objectives and strategies; a road map of key implementation activities and high-level resource requirements; clearly defined roles and responsibilities; success measures and performance targets; and clear alignment with and support for the Strategic Plan and the 2030 Agenda for Sustainable Development.

3. Development of the Plan was led by the PFP senior management team and coordinated by the Strategic Planning section and the PFP Planning Task Force, with contributions from experts from National Committees, country offices, regional offices and headquarters divisions. Throughout the process, consultations were held within the wider organization and with external stakeholders to maximize knowledge-sharing, idea generation and collective ownership.

What is new in the Plan?

4. A situation analysis of the work of UNICEF with the private sector was conducted in the first half of 2016 and involved consultations across National Committees, country offices and regional offices. The analysis found that with sufficient investment, market knowledge and development, the potential to significantly enhance revenue growth, especially of unrestricted resources, is immense. It also identified the vast potential in mobilizing the private sector for advocacy and in harnessing business assets, policies and practices to achieve programmatic results. All of these areas will be critical to the achievement of the child-focused Sustainable Development Goals by 2030.

5. To seize the full potential of the private sector, UNICEF needs to decisively embrace the role of leader in all aspects of financial and non-financial engagement. This requires a quantum leap in the organization's fundraising, engagement and advocacy ambitions with the private sector. UNICEF needs to reposition the private sector as a core priority, to be bold, focused and agile in its work with the sector, to become truly cutting edge in the digital world, and to match ambitious goals with the requisite human and financial investments.

6. The private sector revenue goal is to raise $9.6 billion gross ($7.5 billion net) from 2018 to 2021. This represents an increase in gross private sector revenue of $2.8 billion and aims to double the number of individual donors to UNICEF in comparison to the 2014–2017 Plan. This goal is an expression of what UNICEF will collectively aim to reach. The private sector will also support the delivery of the UNICEF change strategies, as outlined in the UNICEF Strategic Plan, 2018–2021.

IMPACT Plan revenue targets

7. The chart that follows shows the gross and net revenue targets for regular resources (RR), other resources (regular) (ORR) and other resources (emergency) (ORE), in billions of United States dollars.

	2018	*2019*	*2020*	*2021*
Gross revenue	$2.020	$2.250	$2.530	$2.750
Total private sector revenue after National Committee expenses	**$1.596**	**$1.776**	**$1.997**	**$2.161**
Of which RR	$.757	$.853	$.959	$1.042
Of which ORR	$.738	$.823	$.939	$1.018
Of which ORE	$.100	$.100	$.100	$.100

IMPACT Plan results framework

8. In the final results framework of the UNICEF Strategic Plan, 2018–2021, PFP results contribute to the change strategies, which in turn contribute to the five Strategic Plan Goal Areas: every child survives and thrives; every child learns; every child is protected from violence and exploitation; every child lives in a safe and clean environment; and every child has an equitable chance in life. In particular, PFP will contribute to the following change strategies: winning support for the cause of children from decision makers and the wider public; developing and leveraging resources and partnerships for children; and harnessing the power of businesses and markets for children.

9. UNICEF is adopting an audience-based approach to achieving results with the private sector. The key private sector audiences are: individual supporters, key influencers, businesses and Governments in National Committee countries. The approach recognizes the key role of these audiences as well as the critical synergies between them for delivering results for children.

10. The goal for the audience of individual supporters is that 100 million people are changing the world with UNICEF through their voices and donations. The expected outcomes by 2021 are that 14 million people are donating $1.7 billion annually, and 100 million people (including supporters, advocates, volunteers, donors and children) are mobilized for children's rights.

11. The goal for the key influencers is that their impact and effectiveness are maximized to advance children's rights and well-being. The expected outcomes are that leading philanthropic partners commit to working with UNICEF and investing $787 million annually by 2021 to achieve transformational change for children, and key influencers engage their voice in delivering on child rights, amplifying UNICEF advocacy messaging on priority issues.

12. The goal for the business audience is that their power, reach and influence are fully harnessed for children. The expected outcomes are that partnerships with businesses deliver revenue and influence, and leverage core business and assets for UNICEF; that businesses take sustainable action to respect children's rights in all their activities and relationships, and that businesses and their stakeholders advocate for the rights of children.

13. The goal for Governments is that those in National Committee counties deliver on UNICEF priorities for children, as defined in the Strategic Plan, 2018–2021, both domestically and globally. The expected outcomes are that Governments maintain and increase their budgets for children and increase action to respect, protect and fulfil children's rights nationally, regionally and globally.

14. The UNICEF brand being positioned as a critical driver to connect effectively with the organization's key audiences. UNICEF will seek to become the most trusted and engaging organization improving the lives of children across the globe.

15. A number of preconditions exist for UNICEF to effectively engage with the private sector and to be well positioned to achieve the ambitious goals of the IMPACT Plan. These include being fit for business with the private sector, planning and delivering effectively together across UNICEF and the National Committees, and employing adequate information systems and versatile staff.